



# Hernando County, Florida

## Potential General Obligation Bond Referendum



**November 28, 2023**

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## Debt Overview

- County has low amount of debt outstanding totaling approximately \$131 million

Hernando County - Summary of Outstanding Debt					
Obligation	Use of Proceeds	Issue Date	Outstanding Coupons	Final Maturity	Outstanding Principal
<b>General Governmental</b>					
Non-Ad Valorem Revenue Note, Series 2023	Capital Improvements	6/20/2023	3.90%	5/1/2033	\$ 4,062,000
Non-Ad Valorem Revenue Bonds, Series 2022	Capital Improvements	10/19/2022	4.00% - 5.00%	6/1/2052	50,700,000
Non-Ad Valorem Ref Rev Note, Series 2012	Ref Series 2002 & 2004	11/13/2012	2.57%	2/1/2028	7,266,000
Non-Ad Valorem Ref Rev Bonds, Series 2010	Ref Series 1998 Bonds	2/19/2010	4.00% - 4.13%	2/1/2024	425,000
Non-Revolving Line of Credit	Capital Improvements	-	-	5/1/2032	12,655,337
<b>Subtotal General Governmental</b>					<b>75,108,337</b>
<b>Water and Sewer</b>					
Taxable Water and Sewer Ref Rev Bonds, Series 2021A	Ref Series 2013A	4/15/2021	0.37% - 2.44%	6/1/2034	21,910,000
Water and Sewer Ref Rev Bonds, Series 2021B	Ref SRF Loans	4/15/2021	3.00% - 5.00%	6/1/2037	33,590,000
<b>Subtotal Water and Sewer</b>					<b>55,500,000</b>
<b>Total</b>					<b>\$130,608,337</b>



## Financing Future Capital Needs

- County has significant capital needs, including jail/corrections, public safety, and transportation
- Local governments often fund long-term capital needs with debt
  - Capital projects too large to fund with cash
  - Mitigate rising construction costs
  - Taxpayer/resident equity – spread cost over future generations
- Variety of financing options, including general obligation bonds
  - Paid from dedicated property tax millage (does not count towards 10 mill cap)
  - Must be approved at referendum in Florida



## Jail/Corrections GO – Financial Impact

- Jail/correction needs of \$175,000,000
- Assuming 20% contingency and estimated issuance costs, borrowing amount would be approximately \$212,100,000
- Estimated millage levy required to fund projects over 30 years and example impact on property owner with \$259,000 taxable assessed value:

### Example Jail/Corrections Borrowing

Project Costs	\$ 175,000,000
20% Contingency	35,000,000
Est. Issuance Costs	2,100,000
Total	<b>\$ 212,100,000</b>

30 Year Financing			
Borrowing Amount	Millage Levy	Annual Taxpayer Impact	Monthly Taxpayer Impact
\$212,100,000	0.96	\$248	\$21

Based on FY2024 taxable assessed value of \$14,725,000,000, 95% collection rate, and 2% growth.  
Assumes all-inclusive true interest cost on bonds of 5.10%.



## Public Safety GO – Financial Impact

- Public safety needs of \$211,850,000
- Assuming 20% contingency and estimated issuance costs, borrowing amount would be approximately \$256,770,000
- Estimated millage levy required to fund projects over 30 years and example impact on property owner with \$259,000 taxable assessed value

### Example Public Safety Borrowing

Project Costs	\$ 211,850,000
20% Contingency	42,370,000
Est. Issuance Costs	2,550,000
Total	<b><u>\$256,770,000</u></b>

30 Year Financing			
Borrowing Amount	Millage Levy	Annual Taxpayer Impact	Monthly Taxpayer Impact
\$256,770,000	1.16	\$301	\$25

Based on FY2024 taxable assessed value of \$14,725,000,000, 95% collection rate, and 2% growth.  
Assumes all-inclusive true interest cost on bonds of 5.10%.



## Transportation GO – Financial Impact

- Transportation needs of \$228,390,000
- Assuming 20% contingency and estimated issuance costs, borrowing amount would be approximately \$276,820,000
- Estimated millage levy required to fund projects over 30 years and example impact on property owner with \$259,000 taxable assessed value:

Example Transportation Borrowing	
Project Costs	\$ 228,390,000
20% Contingency	45,680,000
Est. Issuance Costs	2,750,000
Total	<b>\$ 276,820,000</b>

30 Year Financing			
Borrowing Amount	Millage Levy	Annual Taxpayer Impact	Monthly Taxpayer Impact
\$276,820,000	1.25	\$324	\$27

Based on FY2024 taxable assessed value of \$14,725,000,000, 95% collection rate, and 2% growth.  
Assumes all-inclusive true interest cost on bonds of 5.10%.



## Combined Financial Impact

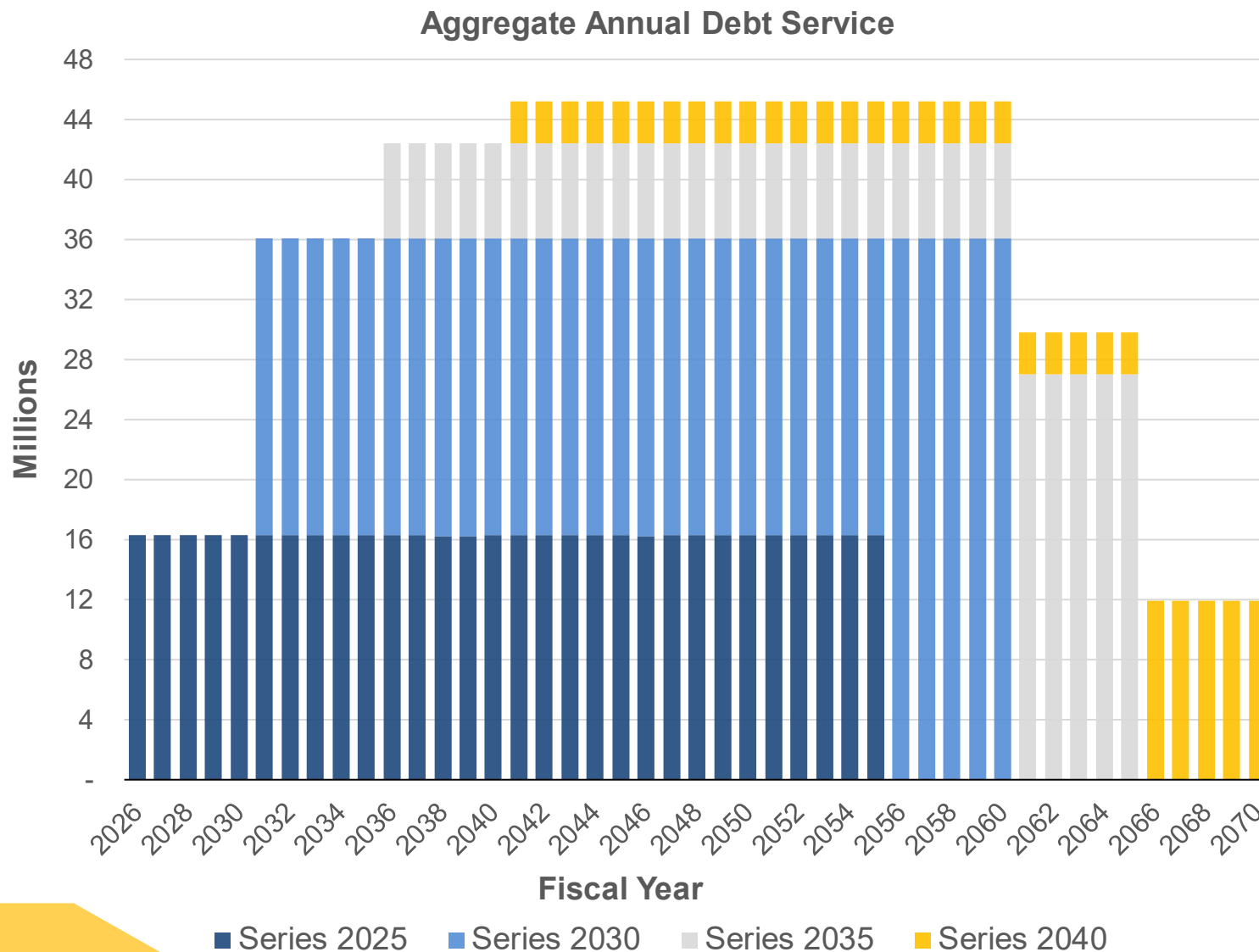
- Due to large amount of projects and estimated timing, County would likely borrow in multiple series of bonds
- If all three referendums approved, County anticipates borrowing in four series with one issue every 5 years
- Staggering issuance reduces impact on property owner as each financing would be 30 years from issuance date (or less depending on number of years in referendum)

### Example Issuance Schedule

	Jail/Correction	Public Safety	Transportation	Total	Total w/ Cont. and Est. Issuance Costs
FY 2025	\$ 52,000,000	\$ 33,000,000	\$ 121,790,000	\$ 206,790,000	\$ 250,630,000
FY 2030	123,000,000	90,000,000	53,000,000	266,000,000	322,430,000
FY 2035	-	70,850,000	28,000,000	98,850,000	119,790,000
FY 2040	-	18,000,000	25,600,000	43,600,000	52,840,000
	<b>\$ 175,000,000</b>	<b>\$ 211,850,000</b>	<b>\$ 228,390,000</b>	<b>\$ 615,240,000</b>	<b>\$ 745,690,000</b>



## Example Series of GO Issuances







## Example Total Impact (FY2026 – FY2048)

Fiscal Year	Estimated Debt Service					Estimated Millage Requirement		Homeowner Payment	
	Series 2025	Series 2030	Series 2035	Series 2040	Total	Growth Rate: 6%	Millage	Yr.	Mo.
2026	16,274,700	-	-	-	16,274,700	15,717,759,500	1.04	268	22
2027	16,275,125	-	-	-	16,275,125	16,660,825,070	0.98	253	21
2028	16,275,650	-	-	-	16,275,650	17,660,474,574	0.92	239	20
2029	16,275,725	-	-	-	16,275,725	18,720,103,049	0.87	225	19
2030	16,274,800	-	-	-	16,274,800	19,843,309,232	0.82	212	18
2031	16,277,325	19,809,075	-	-	36,086,400	21,033,907,785	1.72	444	37
2032	16,272,475	19,815,725	-	-	36,088,200	22,295,942,253	1.62	419	35
2033	16,279,975	19,808,025	-	-	36,088,000	23,633,698,788	1.53	395	33
2034	16,273,450	19,811,250	-	-	36,084,700	25,051,720,715	1.44	373	31
2035	16,277,900	19,809,300	-	-	36,087,200	26,554,823,958	1.36	352	29
2036	16,276,950	19,811,900	6,352,225	-	42,441,075	28,148,113,395	1.51	391	33
2037	16,275,050	19,813,225	6,352,225	-	42,440,500	29,837,000,199	1.42	368	31
2038	16,271,375	19,817,725	6,352,225	-	42,441,325	31,627,220,211	1.34	348	29
2039	16,270,100	19,814,575	6,352,225	-	42,436,900	33,524,853,424	1.27	328	27
2040	16,280,125	19,808,500	6,352,225	-	42,440,850	35,536,344,629	1.19	309	26
2041	16,279,800	19,808,950	6,352,225	2,801,975	45,242,950	37,668,525,307	1.20	311	26
2042	16,278,575	19,809,825	6,352,225	2,801,975	45,242,600	39,928,636,825	1.13	293	24
2043	16,275,350	19,810,300	6,352,225	2,801,975	45,239,850	42,324,355,035	1.07	277	23
2044	16,274,025	19,814,550	6,352,225	2,801,975	45,242,775	44,863,816,337	1.01	261	22
2045	16,273,225	19,811,475	6,352,225	2,801,975	45,238,900	47,555,645,317	0.95	246	21
2046	16,271,575	19,815,525	6,352,225	2,801,975	45,241,300	50,408,984,036	0.90	232	19
2047	16,272,700	19,815,325	6,352,225	2,801,975	45,242,225	53,433,523,078	0.85	219	18
2048	16,274,950	19,810,050	6,352,225	2,801,975	45,239,200	56,639,534,463	0.80	207	17

Based on FY2024 taxable assessed value of \$14,725,000,000, 95% collection rate, and property value of \$259,000. Assumes aggregate all-inclusive true interest cost on bonds of 5.20%.



## Example Total Impact (FY2049 – FY2070)

Fiscal Year	Estimated Debt Service					Estimated Millage Requirement	Homeowner Payment	
	Series 2025	Series 2030	Series 2035	Series 2040	Total	Growth Rate: 6%	Millage	Yr. Mo.
2049	16,276,675	19,808,875	6,352,225	2,801,975	45,239,750	60,037,906,531	0.75	195 16
2050	16,276,225	19,810,425	6,352,225	2,801,975	45,240,850	63,640,180,923	0.71	184 15
2051	16,271,950	19,813,325	6,352,225	2,801,975	45,239,475	67,458,591,778	0.67	174 14
2052	16,272,200	19,816,200	6,352,225	2,801,975	45,242,600	71,506,107,285	0.63	164 14
2053	16,274,775	19,812,675	6,352,225	2,801,975	45,241,650	75,796,473,722	0.60	155 13
2054	16,272,475	19,816,650	6,352,225	2,801,975	45,243,325	80,344,262,145	0.56	146 12
2055	16,273,375	19,811,200	6,352,225	2,801,975	45,238,775	85,164,917,874	0.53	138 11
2056	-	36,085,225	6,352,225	2,801,975	45,239,425	90,274,812,946	0.50	130 11
2057	-	36,086,675	6,352,225	2,801,975	45,240,875	95,691,301,723	0.47	122 10
2058	-	36,084,525	6,352,225	2,801,975	45,238,725	101,432,779,826	0.45	116 10
2059	-	36,084,375	6,352,225	2,801,975	45,238,575	107,518,746,616	0.42	109 9
2060	-	36,086,275	6,352,225	2,801,975	45,240,475	113,969,871,413	0.40	103 9
2061	-	-	27,047,225	2,801,975	29,849,200	120,808,063,698	0.25	64 5
2062	-	-	27,044,000	2,801,975	29,845,975	128,056,547,520	0.23	60 5
2063	-	-	27,048,350	2,801,975	29,850,325	135,739,940,371	0.22	57 5
2064	-	-	27,046,425	2,801,975	29,848,400	143,884,336,793	0.21	54 4
2065	-	-	27,044,925	2,801,975	29,846,900	152,517,397,001	0.20	51 4
2066	-	-	-	11,926,975	11,926,975	161,668,440,821	0.07	19 2
2067	-	-	-	11,930,100	11,930,100	171,368,547,270	0.07	18 2
2068	-	-	-	11,930,450	11,930,450	181,650,660,106	0.07	17 1
2069	-	-	-	11,931,650	11,931,650	192,549,699,712	0.06	16 1
2070	-	-	-	11,932,050	11,932,050	204,102,681,695	0.06	15 1
	488,248,600	675,731,725	294,036,550	129,700,600	1,587,717,475			

Based on FY2024 taxable assessed value of \$14,725,000,000, 95% collection rate, and property value of \$259,000. Assumes aggregate all-inclusive true interest cost on bonds of 5.20%.



## General Obligation Bonds – Referendum Resolution

- Commission would need to adopt resolutions calling for bond referendums to be held on November 4, 2024
- Resolutions describe each project, authorize not-to-exceed principal amount of general obligation bonds for each project, maximum term of the bonds (for example, not exceeding 20/30 years), and list each ballot question
- Under Florida law, ballot question limited to 75 words and descriptive title limited to 15 words



## Timeline

- ◆ December 2023 – January 2024: Refine project list to be financed
- ◆ February 2024: Commission Meeting or Workshop to discuss GO Bond projects/options. Commission directs staff to proceed with resolution authorizing bond referendum
- ◆ March 2024: County Attorney and Bond Counsel finalize resolution, including projects and ballot questions
- ◆ April 2024: County Commission considers resolution for approval
- ◆ June 2024: Notify Supervisor of Election of County's intent to pursue referendum
- ◆ October 2024: Series of public notices are published as legally required
- ◆ November 2024: Referendum is held
- ◆ Spring 2025: Initial Series of Bonds can be issued (subject to timing of project expenditures)